

**PX 116**

**From:** Brad Garlinghouse <[REDACTED]@ripple.com>  
**To:** Team  
**Sent:** 5/16/2017 9:02:55 AM  
**Subject:** Important Update on Ripple's XRP holdings

Hi team,

I have some very important news to share. Today we announced that Ripple has committed to place 55 billion XRP into a cryptographically-secured escrow account by the end of 2017. Securing the lion's share of the XRP that our company owns gives investors certainty into the total supply of XRP.

As we've discussed in our company biweeklies, one of our top companywide objectives is to build liquidity for XRP so that financial institutions can use it to lower the costs of cross-border payments. To build XRP liquidity, we have methodically and judiciously sold XRP and used it to incentivize market maker activity over the years, which has resulted in a stronger XRP market.

Despite a proven track record of being good stewards of XRP, we have continued to hear concerns in the market and XRP community about uncertainty surrounding our ongoing XRP distribution. The root of this uncertainty is the notion that Ripple might one day sell its 61.68B XRP in the market at any time - a scenario that would be bad for Ripple! To be clear, our self-interest is aligned with building and maintaining a healthy XRP market.

With this historic decision to lock up 55 billion XRP in escrow, we are giving investors a predictable supply schedule, and in doing so, removing what has been a barrier to broad XRP adoption. Investors can now confidently verify the maximum supply of XRP that can enter the market at any given time.

The bottom line is that we are committed to making XRP the best digital asset for payments. While we can't predict future market dynamics, this is a very exciting time for us as the market is beginning to recognize XRP's real use case (liquidity for cross-border payments!) and technical superiority compared to other digital assets. This is evidenced by unprecedented levels of trading volume and XRP overtaking Ethereum as the number two digital asset by market capitalization.

We'll certainly cover this more in tomorrow's bi-weekly update, but I wanted to flag this for you now that we're able to share the news externally. Please feel free to reach out with any comments or questions.

Best,  
Brad